



**DEFENSE LOGISTICS AGENCY  
DEFENSE CONTRACT MANAGEMENT COMMAND  
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FT. BELVOIR, VIRGINIA 22060-6221**

IN REPLY  
REFER TO

AQOC

MAR 19, 1997

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT  
DISTRICTS**

**SUBJECT: DCMC Memorandum No. 97-32, Use of Block Change Modifications to  
Allow Direct Submission of Interim Vouchers (POLICY)**

This is a POLICY memorandum. It supersedes DCMC Memorandum No. 96-20, dated July 5, 1996, subject: Public Bureau Vouchers (POLICY), which is hereby canceled. The new policy expires when content is included in DLAD 5000.4, Contract Management (One Book), not to exceed one year. Target Audience: All Administrative Contracting Officers (ACO), Contract Administrators and Operations Group Chiefs.

This policy memorandum addresses the Department of Defense Federal Acquisition Regulation Supplement (DFARS) 242.803 (b)(i)(C), which allows contract auditors to authorize direct submission to disbursing offices of interim vouchers for contractors with approved billing systems. The direct billing procedure is a significant payment process improvement and DCMC is proactively supporting the deployment of this initiative.

When the Defense Contract Audit Agency (DCAA) determines that a contractor is eligible to participate in the direct billing program, the contractor and the ACO will be notified by DCAA concurrently that the contractor may use the new procedures. The ACO should then contact the contractor and determine if they choose to participate. If the contractor chooses to participate in the direct billing program, a modification should be issued incorporating the revised payment instruction into all affected contracts. A block change modification is the appropriate vehicle to authorize direct billing. Group Chiefs should ensure that, once DCAA has authorized direct billing for a contractor, the ACO promptly modifies the affected contracts to permit direct billing.

Additionally, the ACO should notify all affected PCOs that future contracts should contain the revised payment language allowing for the direct submission of interim vouchers when authorized by DCAA. New contracts should be reviewed to ensure that they contain the revised payment language, and if they do not, modifications should be issued incorporating such language.



The block change modifications to effect this change generally follow the format of other block changes. However, the attachment is provided to address aspects unique to authorizing direct billing of interim vouchers. Note that the policy on distribution of final vouchers is changed. Final vouchers will now be submitted to DCAA, with a copy to the ACO. DCAA will forward the final voucher to the ACO with the completion audit report.

The DCMC Headquarters point of contact for this issue is Timothy Frank, Contract Payment and Business Practices Team, (703) 767-3431, or DSN 427-3431. The Internet address is [tim\\_frank@hq.dla.mil](mailto:tim_frank@hq.dla.mil).



ROBERT W. DREWES  
Major General, USAF  
Commander

Attachment

## BLOCK CHANGE MODIFICATION INSTRUCTIONS

### TO AUTHORIZE DIRECT BILLING ON PUBLIC BUREAU VOUCHERS

These instructions provide guidance addressing preparation of block change modifications to authorize direct billing by contractors on Public Bureau Vouchers.

A. The block change modification is executed using Standard Form (SF) 30 "Amendment of Solicitation/Modification of Contract." All of the applicable information should be entered on the form. Block 10A, Modification of Contract/Order No., should state: SEE BLOCK 14 BELOW." Block 14 - Description of Amendment/Modification should state:

THIS MODIFICATION IS APPLICABLE TO ALL  
CONTRACTS IDENTIFIED ON THE ATTACHED SCHEDULE  
OF CONTRACTS. THIS MODIFICATION IS ISSUED  
TO REVISE BILLING PROCEDURES TO ALLOW THE  
CONTRACTOR TO SUBMIT INTERIM PUBLIC BUREAU  
VOUCHERS DIRECTLY TO THE PAYING OFFICE WHEN  
AUTHORIZED BY DCAA.

B. Page two of the modification should state:

1. This modification is applicable to all of the contracts listed in the attached schedule.
2. The above referenced contracts are hereby modified by inserting new special invoicing procedures as follows:
  3. When authorized by the Defense Contract Audit Agency (DCAA) in accordance with DFARS 242.803(b)(i)(C), the contractor may submit interim vouchers directly to paying offices. Such authorization does not extend to the first and final vouchers. The contractor will continue to submit first and final vouchers to the DCAA office identified on the contract cover sheet. A copy of all final vouchers will be sent to the ACO.
  4. Upon written notification to the contractor, DCAA may rescind the direct submission authority. Upon receipt of the written notice to rescind the direct submission authority, the contractor will immediately begin to submit public vouchers for the affected contracts to DCAA.

C. Page three and subsequent pages should be a schedule of all contracts assigned to the contractor that contain the clauses FAR 52.216-7, Allowable Cost and Payment and/or 52.232-7, Payments Under Time and Material and Labor-Hour Contracts. The appropriate modification number should be given next to each contract number. A copy of the SF 30 should be included in the file of each of the affected contracts.